

STATE OF NEW YORK

6624

IN SENATE

February 19, 2014

Introduced by Sen. LANZA -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend chapter 130 of the laws of 1998, amending the general municipal law relating to temporary investments by local governments, in relation to extending the expiration of the provisions thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 2 of chapter 130 of the laws of 1998, amending the
2 general municipal law relating to temporary investments by local govern-
3 ments, as amended by chapter 107 of the laws of 2011, is amended to read
4 as follows:

5 § 2. This act shall take effect June 30, 1998 and shall expire and be
6 deemed repealed on July 1, [2014] 2017, provided, however, that invest-
7 ments purchased prior to the expiration of this act pursuant to the
8 provisions of paragraph a of subdivision 3 of section 11 of the general
9 municipal law, as designated and amended by section one of this act,
10 shall continue to be subject to the conditions contained in such subdi-
11 vision to the same extent as they had been subject thereto prior to such
12 expiration and repeal.

13 § 2. This act shall take effect immediately; provided however, if this
14 act shall have become a law after July 1, 2014 it shall be deemed to
15 have been in full force and effect on and after July 1, 2014.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD14006-01-4

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S6624

SPONSOR: LANZA

TITLE OF BILL: An act to amend chapter 130 of the laws of 1998, amending the general municipal law relating to temporary investments by local governments, in relation to extending the expiration of the provisions thereof

SUMMARY OF PROVISIONS:

Section two would extend the sunset date of the subdivision 3 of section n of the General Municipal Law to July 1, 2017.

Section three sets forth the effective date.

JUSTIFICATION:

The "Temporary Investments" subdivision of the General Municipal Law, affecting only New York City, sunsets June 30, 2014. This bill would extend the sunset date to July 1, 2017.

Under the statute, New York City is permitted to invest in certain low risk, short term obligations, including top quality commercial paper. In an analysis done by New York City Comptroller Scott Stringer's office, New York City could lose around \$10 million annually without this extension of the law.

This Legislature has voted to extend and the Governor has approved extending the sunset provision for three years on multiple occasions, most recently in 2011. This has provided New York City with increased flexibility in its investment decisions and has consequently allowed the City to achieve higher yields on its investments, without a significant increase in risk.

This bill is supported by the New York City Comptroller.

LEGISLATIVE HISTORY:

2011: S.5486 /A.7735 - Chapter 107.

FISCAL IMPLICATIONS:

None to the State

EFFECTIVE DATE:

This act shall take effect immediately; provided however, if this act shall have become a law after July 1, 2014 it shall be deemed to have

been full force and effect on and after July 1, 2014.
